

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,	:	
	:	<b>JOINT STATUS REPORT</b>
Plaintiff,	:	

- v -	:	07 Civ. 3559 (LAP)
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APPROXIMATELY \$84 MILLION ON	:
DEPOSIT IN ACCOUNT NO. T-94025	:
IN THE NAME OF THE TREASURY OF	:
THE MINISTRY OF FINANCE OF THE	:
REPUBLIC OF KAZAKHSTAN AT PICTET	:
& CIE, GENEVA, SWITZERLAND,	:
FORMERLY ON DEPOSIT IN ACCOUNT	:
NO. 1017789E AT CAI INDOSUEZ,	:
GENEVA, SWITZERLAND, AND ALL	:
INTEREST, INCOME, BENEFITS, AND	:
OTHER PROCEEDS TRACEABLE THERETO,	:

Defendant in rem.	:
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The United States of America and the Government of the Republic of Kazakhstan (the "Parties") respectfully submit this Joint Status Report in response to this Court's order of August 27, 2015, and to apprise the Court of the current status of this matter.

On May 3, 2007, the United States filed this action seeking forfeiture of approximately \$84 million held in an account in Switzerland in the name of the Treasury of the Ministry of

Finance of the Republic of Kazakhstan, plus all interest, income, benefits, and other proceeds traceable thereto. See Complaint, May 3, 2007, ECF No. 1. On May 7, 2007, at the request of the Parties, the Court entered a Stipulation and Order establishing a procedure for the release of the defendant funds by agreement to a foundation, the BOTA Foundation, to be established to utilize the monies for the benefit of poor children and youth in Kazakhstan. See Stipulation and Order, May 7, 2007, ECF No. 2 (filed on May 8, 2007). Additional terms were attached to and incorporated into the Stipulation and Order by a Memorandum of Understanding between the Governments of the United States of America, the Republic of Kazakhstan, and the Swiss Confederation (the "Three-Government MOU"). *Id.* The Stipulation and Order also attached and incorporated a Service Agreement between the three governments and the International Bank for Reconstruction and Development (the World Bank), in accordance with which the World Bank was to provide assistance in the establishment and oversight of the BOTA Foundation. *Id.* The Three-Government MOU was subsequently amended by a 2008 Amended Memorandum of Understanding between the Governments of the United States of America, the Republic of Kazakhstan, and the Swiss Confederation. The terms of the Stipulation and Order, including each of its attachments, as amended, were expressly incorporated into the Final Order confirming the

agreement of the parties and the procedures for disposition of the assets. See Final Order, May 31, 2009, ECF. 9 (filed June 1, 2009).

In order to ensure the responsible expenditure of the remaining settlement funds, estimated at approximately \$22 million at the beginning of 2014, and the orderly winding-down of BOTA Program operations, the three governments agreed to extend BOTA past its anticipated end date of May 31, 2014, to December 31, 2014. In June 2014, the Parties executed a formal Extension Agreement to extend the terms of the 2008 Three-Government MOU. See Attachment A. The Parties also approved, through an exchange of letters, the extension for the Service Agreement, to align with the December 31, 2014, end date for the BOTA Program. See Attachment B.

Pursuant to the 2009 Final Order, this action is to be dismissed following the release of the remainder of the funds. See Final Order, at ¶ 6. The BOTA Foundation ceased operations on December 31, 2014, and since that time has been in liquidation. On August 28, 2015, the Program Manager advised the parties that a final financial report was being prepared for approval by the three governments. Because that report remains outstanding, the parties respectfully request that this action remain open until such time as the final financial liquidation report is received and any remaining steps to confirm

expenditure of the funds are completed. Within 60 days, the Parties will provide the Court with a final report on execution of the Final Order or a further status report if additional time is required to terminate these proceedings.

[Additional Text on Following Page]

Counsel for Plaintiff has conferred with counsel for the Republic of Kazakhstan who has authorized the filing of this Status Report as a Joint Status Report.

Dated: September 11, 2015

Respectfully submitted,

PREET BHARARA  
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Southern District of New York

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